

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

State Department review completed

Secret

Nº 041

25 November 1972

No. 0283/72 25 November 1972

Central Intelligence Bulletin

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ARGENTINA: Political pressure on President Lanusse to lift the legal bar to Juan Peron's presidential candidacy is continuing to mount.

The political leaders that Peron has called together in an attempt to organize a coalition reportedly have agreed to ask Lanusse to revoke the residency requirement for candidates in the March 1973 elections. Lanusse has rejected this on several occasions, but in a press conference on Wednesday the President said that he would reconsider his position in the unlikely event that the request were made unanimously by all political groups.

Lanusse may now face a tough decision as the group organized by Peron includes representatives of all political groups but the extreme left and the conservative forces backing former social welfare minister Francisco Manrique. Those left out of the Peron grouping are as much anathema to Lanusse as they are to Peron.

A dispute over the residency requirement could sidetrack the political agreement that Lanusse still hopes to reach with Peron. On the other hand, some elements of the military object to the freedom Peron has already been given, and opening the way for him to run for president could cost Lanusse much of his support in the armed forces. If Lanusse can finesse this problem he will be tempted to lift the requirement by rescinding the whole decree law, which says that only those who were in the country and out of public office by 25 August 1972 may run for office. This would permit Lanusse to run as well.

For Peron, cancellation of the requirement would merely provide a face-saving means of renouncing his own candidacy, since the military will never permit him to take office and it is doubtful that he really wants to run.

WESTERN EUROPE - EAST GERMANY: Finland's recognition of East Germany yesterday -- the first by a West European state--will soon be followed by several others.

Helsinki's unilateral recognition of both German states followed a meeting of the Nordic Council earlier this week at which all five members apparently indicated their readiness to recognize East Germany before the end of the year. Despite its membership in NATO, Denmark seems to be the most anxious. Iceland, another NATO member that feels under pressure from leftist domestic elements, might wait until the NATO foreign ministers' meeting on 7-8 December, but not much longer. Sweden is under little constraint to delay. Only Norway, which may want to avoid annoying Bonn before a free trade agreement with the EC can be negotiated, is likely to put off recognition until at least a few other countries have blazed the way.

At a recent EC foreign ministers' meeting, Italy, Benelux, and France all claimed that their governments were under heavy pressure to recognize Pankow soon. While they indicated that such action would not occur before the NATO ministerial meeting, as the West Germans prefer, most thought that recognition might come before the end of the year. A French Foreign Ministry official speculated on 22 November that his government might act immediately after Chancellor Brandt signs the inter-German treaty in the third week of December.

USSR - WEST GERMANY: Moscow has reacted to Chancellor Brandt's election victory with obvious relief and pleasure.

The Soviet leadership is presumably waiting until a new government is formally re-elected by the Bundestag before sending public congratulations. According to the West German Embassy in Moscow, however, Brezhnev sent his personal congratulations to Brandt very soon after the results were known. Brezhnev may now find the way clear to accept a standing invitation to visit Bonn.

Initial Soviet press coverage has predictably cited the Brandt government's "realistic" foreign policy as the key to its success at the polls. At the same time, public commentary on the losing Christian Democrats has become much harsher than it was before the election, when Moscow was unsure who would form the next government in Bonn.

With signature and ratification of the basic treaty between West and East Germany seemingly assured, the Soviets may now press for movement in West German - Czechoslovak relations. The Soviet-Bulgarian communiqué issued on 18 November and an Izvestia commentary of 21 November both avoided saying that the 1938 Munich agreement was invalid "ab initio." This has been a major stumbling block in negotiations between Bonn and Prague, and the recent Soviet treatment may mean that Moscow will be encouraging its ally to compromise.

While the Soviets are thus pleased with the outcome of the election, they continue to make it clear that cooperation with the Social Democrats on matters of detente and world peace does not mean an end to ideological differences with social democracy. This line has also appeared in several commentaries on improved relations with the US and points up the Kremlin's concern that improved relations with the West could weaken its hold in Eastern Europe and perhaps with the USSR itself.

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Approved For Release 2003/12/09 : CIA-RDP79T00975A023200120001-0 SECRET

PHILIPPINES: The government is almost ready to launch its new constitution which will give vastly greater powers to President Marcos.

Constitutional convention delegates are putting the final touches on the new document and are expected to approve it next week. The next step will be a referendum on 15 January; overwhelming approval by Philippine voters can be expected and Marcos will portray this as a vote of confidence in his leadership.

The final draft, which was written in the presidential palace, creates a parliamentary form of government with a figurehead president and a strong central executive under a prime minister. It also provides for President Marcos to head an interim government in which he will exercise all the powers of the president under the current constitution and of the prime minister under the new one. According to the terms of the draft, Marcos himself will decide when and how to introduce the parliamentary system—which means that he may, if he chooses, retain supreme authority indefinitely.

Marcos undoubtedly also intends to make the vote on the new constitution on 15 January a public ratification of martial law. The new constitution specifically legalizes all actions taken under martial law. In addition, the referendum will be represented as a mandate for the "New Society." Despite private grumbling from Marcos' political opponents, the President should have little trouble gaining public approval for the new constitution. He has cleverly used his control over the media to publicize a steady stream of popular reform announcements and to preclude questioning of the real meaning or implementation of the reform measures. Moreover, the vote itself will take place under the careful supervision of martial law authorities, which should forestall any overt expression of opposition.

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ISRAEL-LEBANON: The Israeli commando strike Thursday night was directed against members of the Popular Front for the Liberation of Palestine -General Command, a group which repudiated Yasir Arafat's agreement with the Lebanese to cease crossborder operations. The Lebanese Army was not involved in the firefight, which left one fedayeen dead and four fedayeen and one Israeli wounded. Until this week, the border had been quiet since the Lebanese imposed controls on fedayeen activity after the last Israeli ground incursion in September. The raid seems to be a clear warning to Beirut that it must impose further measures to prevent the resumption of fedayeen activity near the border.

NORTH VIETNAM: The resumption of the bombing against North Vietnam and increased fighting in the South have had little impact on Hanoi's agriculture this year. Total food production so far appears comparable to that of 1970 -- a year generally considered to be "normal" -- and probably amounts to some 3.6 million tons of milled rice and secondary foodstuffs. The residual effects of last year's severe fall flood on fields and irrigation facilities and the heavy burdens put on the peasantry to make repairs probably limited the spring rice crop, despite the government's claim that it equaled that of 1971, which was estimated at a record 1.3 million tons of milled rice. A successful fall crop is being harvested largely because of the relatively mild rainy season this year and the absence of any serious flooding. Nevertheless, North Vietnam has yet to become self-sufficient in food production and will still need some half-million tons of food imports before the next spring harvest.

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Approved For Release 2003/12/09 : CIA-RDP79T00 \mathfrak{F} 5A023200120001-0 SECRET

USSR: A recent Soviet domestic broadcast gives the first official hint of the extent of the grain losses in Siberia. It revealed that about 20 percent of the area sown to grain in Kemorovo Oblast was never threshed, apparently because of the arrival of winter weather. Official Soviet progress reports stopped in mid-October when some eight percent of the total area sown to grain-representing about 12.5 million tons--was unharvested. At that time press reports indicated that wet weather was hindering the harvest and that grain drying facilities were inadequate. The Soviets made the bulk of their grain purchases--about 26 million tons--before these harvest losses occurred.

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